המכללה העברית
HEBREW COLLEGE

December 20, 2023

Management Summary of FY`23 Audited Financials

Hebrew College's **new collaborative campus** at 1860 Washington Street in Newton opened as scheduled in January 2023, bringing together a collection of dynamic local and national organizational partners, creating a hub for Jewish learning, community and creativity.

Acquisition, construction, renovation and other related costs totaling $15,000,000 was funded through a $14,000,000 capital campaign, plus $1,000,000 in board authorized allocations from cash reserves. The capital campaign committee very recently fully reached its objective in total commitments.

FY'23 Audited Financials include a transformative Net Assets Released from Restriction of $9.9MM in capital campaign funds collected through fiscal year end as the new campus was put into service, bringing Unrestricted Net Assets up to $9.0MM. Additional releases from restriction will be similarly realized in FY'24 and beyond as Capital Campaign pledge payments and other commitments are collected.

Unrestricted Cash on Hand at 2023 fiscal year-end increased to $2.07MM as assets previously designated as restricted during the new campus construction phase were released from restriction. When combined with another $612K in temporarily restricted cash, this represents 3.8 months of working capital.

FY'23 Operations, exclusive of the financial benefits of new campus fundraising, reflects a negative $680K Change in Unrestricted Net Assets on a GAAP basis, of which $483K is attributed to non-cash allocations of Depreciation and Prepaid Rent on the former campus. A significant portion of the remaining $197K cash shortfall is attributed to non-reoccurring, disposal costs from during the move, that are not eligible to be capitalized over time with other project outflows. Of the $8.54MM in total operating expenses, a healthy 73% or $6.22MM was devoted to Instruction, Academic Support and Student Services.

With the Capital Campaign now completed, leadership and board turn their focus to a long-planned Endowment Growth Campaign with an objective of creating substantial new resources to fund student scholarships and other program costs.

Keith E. Dropkin
Chief Financial & Administrative Officer